

The role of macroeconomic variables on Islamic stocks for achieving SDGs in Indonesia

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Abstract

This paper aims to analyse macro-economic variables such as industrial production index (IPI), exchange rate, gross domestic product (GDP), and inflation which can affect the movement of Islamic stocks price in order to contribute the sustainable development goals in Indonesia. The methodology of this study is quantitative approach with Error Correction Model (ECM). The data is obtained from Bank Indonesia, Central bureau of statistics Indonesia and Indonesia Stock Exchange during period January 2013 to December 2018 quarterly. The findings showed that IPI has positive effect, while the exchange rate has a negative effect on Islamic stock price. Also GDP and inflation variables has negative in some companies and positive effect in other companies.

Introduction

In a global world where the economy condition is not certain, the role of Islamic finance is increasing, especially in Indonesia. Islamic financial instruments have become important elements of national development (Kementrian Keuangan, 2018). Therefore, in response to global challenges, Islamic finance industry offers great opportunities to achieve sustainable development goals. This is relevant to the program which launched by UNDP and World Bank, namely Sustainable Development Goals.

Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, peace and justice. The goals interconnect and aim to leave no one behind (United Nations, 2016). This agenda is very appropriate and consistent with Indonesia's development priorities which are to end extreme poverty, overcome the income gap, promote human rights, and protect the environment (Otoritas jasa Keuangan, 2018). In addition, the principles of justice and shared prosperity adopted in Islamic finance are in line with the goals of the SDGs which are to reach sustainable development and inclusive prosperity for all levels of society (Kementrian Keuangan, 2017). Indonesia is one of the countries that was given the opportunity to offer investment opportunities related to sustainable development in the Sustainable Development Goals Investment (SDGI) fair on 2019. The SDGI fair provides a platform for governments, private sectors, philanthropies and financial intermediaries for narrowing the SDG investment gap (Kementerian PPN/ Bappenas, 2019).

According to Wahyuningsih (2017), SDGs are a document that will become a reference in the framework of development and negotiation of countries in the world, where the concept of SDGs is the continued concept of Millennial Development Goals (MDGs). Basically, MDGs and SDGs have the same goal for continuing the noble ideals of the MDGs who want to tackle hunger and poverty in the world. The research conducted by Ishartono & Raharjo (2016) found that the purpose of the SDGs is to complement the MDGs in alleviating poverty. Another case with Ngoyo (2015) which states that SDGs require the participation of civil society with the Participatory Rural Appraisal (PRA) and Sustainable Livelihood Approach (SLA) approaches in order to resolve fundamental problems faced by the community in the development process. Therefore, Islamic capital market is an alternative way of SDGs financing. The basic principles of asset-based Islamic capital markets, ethics, participation, and good governance can offer innovative financing mechanisms, which is in line with the architecture of sustainable development (Republika, 2018). One important instrument of Islamic capital market is Islamic stocks.

Rusdin (2008) defines a stock as a certificate that shows proof of ownership of a company, where shareholders have the right to claim on the income and assets of the company and entitled to attend the general

meeting of shareholders. Meanwhile, according to Fielnanda (2017), Islamic stocks are part of the Islamic capital market which must not contradict the teachings of Islam through *fiqh muamalat*. When Islamic stock is compared to conventional one, Muthoharoh & Sutapa (2014) stated in his research that the performance of Islamic stock is better than conventional one.

In Indonesia, Islamic stocks began with the establishment of Jakarta Islamic Index (JII) in July 2000. In May 2011, Islamic Capital Market in Indonesia grew with the formation of Indonesia Sharia Stock Index (ISSI). In addition, Indonesia Financial Service Authority (2019) shows the development of Islamic stocks in Indonesia from 336 in 2013 to 414 stocks in 2018.

The head of IDX Sharia Capital Market Division, Irwan Abdalloh revealed that throughout 2018 the number of investors in the country grew by 92%, from 23,207 investors to 44,536 investors. On the other hand, he also claims that Islamic stock transactions dominate the market movements of the country's stock. Since 2011, the number of Islamic stocks has successfully grown by 170%. While throughout 2018 the performance of the Indonesia Sharia Stock Index (ISSI) contributed by 65%, followed by 52% of market cap contribution, 53% of transaction volume, 46% of transaction value and 65% of transaction frequency (IDX, 2019). The determination of investment in the capital market is inseparable from macroeconomic factors. Macroeconomic conditions can affect stock prices in a capital market. Therefore, according to Marcus, Bodie, & Kane (2014), several macroeconomic factors including interest rates, inflation and exchange rate can affect stock prices.

According to Wahyuni (2015), the factors that influence the price and development of Islamic stocks in Indonesia consist of fundamental and technical factors. Furthermore, the positive relationship between BI rate and stock price of pharmaceutical companies in Indonesia is documented in Sulastrri (2017). Meanwhile, research by Munib (2016) indicates that BI rate has a significant effect on the stock prices of banking sector companies. Their researches are in line with the study conducted by Vejzagic & Zarafat (2013) and (Ozbay, 2009). They show the interest rate has a positive effect on stock returns of FTSE Bursa Malaysia Hijrah Syariah and Turkey. In contrast to Kulsum & Khuzaini (2016), they said that interest rates have a significant negative influence on the stock prices of manufacturing companies in Indonesia. Meanwhile, Yahya, Muhammad, Abu, & Awang (2012) found Islamic Inter Bank Rate (IIR) variables have insignificant and negative effect on stock prices in the Kuala Lumpur Sharia Index (KLSI) Malaysia.

Based on research conducted by Abd. Madjid (2016), Osamwonyi & Evbayiro (2012), Asmy, Rohilina, Hassama, & Fouad (2009), and Ozbay (2009), they indicated that inflation is significantly affected by Islamic stock returns in Indonesia, Nigeria, Kuala Lumpur Composite Index (KLCI) and Turkey. Whereas, the research result of Sulastrri (2017) represented that inflation has insignificant effect on the stock price of pharmaceutical companies. Additionally, in line with Rachmawati & Laila (2015) and Rowland & Mikail (2013), they told that inflation has insignificant and negative relation toward ISSI's stock price.

Some studies such as Sulastrri (2017) and Abd. Madjid (2016) claim that exchange rate has a positive effect on the stock prices of pharmaceutical and banking sector companies in Indonesia. In addition, Vejzagic & Zarafat (2013) and Yahya, Muhammad, Abu, & Awang (2012) described that there is a significant relationship between the exchange rate of Islamic stocks on FTSE Bursa Malaysia Hijrah Syariah and Kuala Lumpur Composite Index (KLCI). Likewise, research conducted in Turkey by Ozbay (2009) shows that the exchange rate has a positive effect on stock returns. On the contrary, Kulsum & Khuzaini (2016) found that the exchange rate has a significant negative effect on the stock price of manufacturing companies. In line with Rachmawati & Laila (2015), it shows that the exchange rate has a negative and significant influence to the stock price at Indonesia Sharia Stock Index (ISSI).

Unlike the aforementioned researches, Rini (2012) investigated the effect of macroeconomic factors toward Islamic sukuk using VECM during the period of December 2010 to May 2016, she found that sukuk issuance and Indonesian macroeconomic indicators such as economic growth, money supply, inflation, open unemployment and SBIS did not influence each other in the short term, while in the long term sukuk issuance was influenced positively by economic growth and money supply. Sukuk issuance is also negatively affected by inflation, open unemployment and SBIS. Using similar case of stock market, Said & Grassa (2013) explored the macroeconomic factors such as GDP per capita, economic size have a positive impact of the growing of the sukuk market. Moreover, trade openness and bond market have a significant and positive impact on the development of sukuk market.

Based on these literature reviews, there are many studies on macroeconomic variables toward Islamic and conventional stock market worldwide, yet no one similar studies relating this case towards supporting Sustainable Development Goals. Therefore, this study found that it is interesting to analyze the role of macroeconomic variables on Islamic stocks for supporting Sustainable Development Goals in Indonesia. Furthermore, this research observes the effect of economic growth, Industrial Production Index (IPI) and currency on Islamic stocks price in order to contribute to Sustainable Development Goals in Indonesia.

Research Method

The analytical method used is the quantitative method in the period of January 2013 to December 2018 using Error Correction Model (ECM) approach. The research samples used were 5 companies listed in Jakarta Islamic index, namely PT Unilever Indonesia (UNVR), PT Kalbe Farma (KLBF), PT Tambang Batubara Bukit Asam (PTBA), PT Lippo Karawaci (LPKR) and PT Vale Indonesia (INCO). The data is derived from secondary data in the form of Quartile report from Indonesia Stock Exchange, Bank Indonesia, and Central Bureau of Statistics.

The analysis model that will be used in this research is ECM, the variables in this study are referred to as endogenous variables. The operational definitions are as follows:

- Price of Islamic Stock. Bond price is an illustration of transactions that occur in the real sector. Price fluctuations are a clear picture of what happens to the performance and activities of the company.
- Exchange Rate of Rupiah against US Dollar. The data used is the middle rate which is the result of the middle value of selling and buying rate set by Bank Indonesia
- Industrial Production Index. Industrial Production Index is data on industrial production index numbers in large and medium industries in Indonesia.
- Gross Domestic Product (GDP). GDP is the percentage of GDP growth rate of all sectors
- Inflation. The data used is percentage inflation data (Consumer Price Index) based on annual inflation calculations.

The analytical method used is a quantitative method. With quartile data for the period of 1 January 2013 to 31 December 2018, it uses Error Correction Model approach (Koop, 2004). The stages of ECM approach are Normality Test, Unit Root Test, Co-Integration Test and Error Correction Model Analysis.

The equation of ECM is as follows:

$$Dpricet = \beta_0 + \beta_1 Dexchangeratet + \beta_2 Dipit + \beta_3 Dgdpt + \beta_4 Dinflasi_t + \beta_5 Dprice_{t-1} + \beta_8 Dexchangeratet_{-1} + \beta_9 Dipit_{-1} + \beta_{10} Dgdpt_{-1} + \beta_{11} Dinflation_{t-1} + Y\mu_{t-1} + et$$

$$-1 < \gamma < 0 \quad (1.1)$$

$$\mu_t = P_t - \beta_0 - \beta_1 Exchangerate_t - \beta_2 IPI_t - \beta_3 GDP_t - \beta_4 Inflation_t \quad (1.2)$$

By substituting the equation (1.3) which results in coefficient u, the equation (1.3) can be changed into:

$$Dpricet = \beta_0' + \beta_1 Dexchangerate_t + \beta_2 Dipit + \beta_3 Dgdpt + \beta_4 Dinflation_t - \beta_7 price_{t-1} - \beta_8 exchangeratet_{-1} - \beta_9 ipit_{-1} - \beta_{10} gdpt_{-1} - \beta_{11} inflation_{t-1} + et$$

To find out a valid model, *Error Correction Term* (ECT) coefficient is tested. If the test result is significant, ECM is considered valid.

Results and Discussion

The companies observed in this study are five go-public companies registered in Jakarta Islamic index that fulfill research requirements. The first stage of ECM test is Normality Test by looking at the probabilities of each company compared to 5%. The Jb results show that all companies have normal data because the probability value > α 5%. The probability value of UNVR, KLBF, PTBA, LPKR, and INCO are 0.99, 0.6, 0.47, 0.62, and 0.44 respectively.

The second stage is stationarity test using the unit root where this test examines the whether all dependent and independent variables are stationary or not. By comparing the ADF Difference value with the critical value of Mackinnon at the level of 5 percent. In conducting this second stage of test, all variables (price, exchange rate, IPI, GDP and inflation) in five companies were declared stationary at the first difference.

The third stage is the co-integration test. In this stage, researcher uses residues from processed data (ECT), by doing the residual stationary test using the Augmented Dickey-Fuller (ADF) model. The result is comparing the ADF with a critical value of 1 percent significance level. If the ADF statistic value is greater than the critical value, then it indicates co-integration between variables.

Based on the results of ECT Stationary test of five companies that issue Islamic stocks, the stationary residual value in the zero order is obtained. ADF value is greater than the absolute critical value at $\alpha = 1$ percent. By fulfilling the main objectives of co-integration test, the next step is to conduct ECM regression analysis.

When co-integration occurs, it will be continued with ECM estimation. The error correction model (ECT) is a testing method that can be used to find short-term and long-term sustainability models. The following are the results of ECM estimates.

Table 1. ECT Level Stationary Test Results Level

Company	ADF ECT value	Test critical values 1 %	Prob*	Results
PT Unilever Indonesia	-2.911872	-2.679735	0.0057	Stationer
PT Kalbe Farma	-3.673830	-3.769597	0.0123	Stationer
PT Tambang Batubara Bukit Asam	-4.457421	-3.788030	0.0023	Stationer
PT Lippo Karawaci	-3.741208	-3.752946	0.0103	Stationer
PT Vale Indones	-3.942152	-3.769597	0.0068	Stationer

Table 2. ECM Estimation Results

Variable	UNVR Coefficient (Prob*)	KLBF coefficient (Prob*)	PTBA Coefficient (Prob*)	LPKR coefficient (Prob*)	INCO coefficient (Prob*)
C	177.5978 (0.8197)	-14.88239 (0.4771)	3.503206 (0.9317)	-76.30003 (0.0087)	14.52327 (0.8649)
Price (t-1)	0.365089 (0.0793)	0.798175 (0.0031)	0.710418 (0.0002)	-0.284164 (0.2567)	0.844547 (0.0004)
GDP	-15796.45 (0.0090)	-610.7603 (0.0056)	617.0205 (0.0729)	-372.6054 (0.0082)	-116.3277 (0.8434)
GDP (t-1)	4178.493 (0.3253)	339.5177 (0.1045)	-92.70573 (0.7500)	-342.1605 (0.1022)	-1121.830 (0.0094)
IPI	1458.883 (0.0341)	57.62802 (0.0272)	57.92626 (0.1152)	14.84662 (0.3995)	16.33532 (0.8169)
IPI (t-1)	1524.698 (0.0216)	78.70867 (0.0085)	7.093858 (0.8387)	37.42319 (0.0602)	14.61410 (0.8092)
Exchange Rate	-2.613256 (0.2887)	0.052830 (0.5496)	0.507915 (0.0245)	-0.276261 (0.0605)	0.288848 (0.4980)
Exchange Rate (t-1)	1524.698 (0.0216)	-0.072036 (0.4143)	-0.347257 (0.0479)	-0.276704 (0.0381)	-1.041755 (0.0723)
Inflation	-468.5168 (0.4614)	11.23401 (0.6178)	-85.09364 (0.0171)	-41.10058 (0.0528)	38.37871 (0.6125)
Inflation (t-1)	-337.2666 (0.6735)	-9.221891 (0.6960)	27.26601 (0.5626)	-27.60222 (0.3801)	127.8042 (0.2291)
ECT	-0.164186 (0.04951)	-0.576275 (0.0264)	-0.483660 (0.0064)	-0.275329 (0.0473)	-1.078219 (0.0049)
F-Statistic	0.336583 (0.002169)	4.008663 (0.015874)	6.530153 (0.002311)	0.137256 (0.033423)	3.096849 (0.038565)
R ²	0.541194	0.784679	0.855835	0.643987	0.737899

The ECT coefficient at PT Unilever Indonesia has a value of -0.164186 which shows that how much the response of the dependent variable to the error balance. When the ECT coefficient is negative, it tends to result in D (price) is negative and P decreases by 0.164186. Overall, when the error balance decreases by one percent, it causes P to decrease by -0.164186 (ceteris paribus). From the results of the ECT above, it can be concluded that the equation model used meets the validity requirements of a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable both in short-term and long-term.

From the results of the Error Correction Model (ECM), it can be concluded that by observing the probability value of PT Unilever Indonesia in the short-term, GDP had a positive effect on the Islamic stock price of PT Unilever Indonesia by 0.0079, while the Industrial Production Index (IPI) of the current and previous year had a positive effect on Unilever's stock prices of 0.03 and 0.02 and the previous month's Exchange Rate also had

a positive effect on PT Unilever Indonesia's stock prices of 0.06, while other variables had no partial effect on PT Unilever Indonesia stock prices.

While the probability value of the stock price f-statistics of PT Unilever Indonesia is 0.002169, it shows that simultaneously independent variables have a significant influence on the stock price of PT Unilever Indonesia with a significance level of 5 percent. R² value reached 54.11%, which means that 46.89% of the variation in Islamic stock prices of PT Unilever Indonesia has been explained by variables used in the model (exchange rate, GDP, industrial production index and inflation), while the rest is explained by other variables that are not analyzed in ECM model.

The ECT results of PT Kalbe Farma fits the equation model used to fulfill the validity requirements of a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable in the short-term and long-term because it has a value of -0.576275.

The result of Error Correction Model (ECM), it was concluded that by observing the probability value at PT Kalbe Farma, it can be seen that GDP negatively affected the price of stock of PT Kalbe Farma with a probability value of 0.0056, while the previous and current Industrial Production Index as well as the previous year's stock price had a positive effect on the stock price of PT Kalbe Farma with a probability value of 0.02, 0.008 and 0.003.

While the f-statistics probability value of PT Kalbe Farma's stock price is 0.015, it indicates that simultaneously the independent variables have a significant influence on the stock price of PT Kalbe Farma with a significance level of 5 percent. R² value reaches 78.46%, which means that 78.46% of the stock price variation of PT Kalbe Farma can be explained by variables (exchange rate, industrial production index, GDP, and inflation) used in the model, while the rest are explained by other variables not analyzed in ECM model.

ECT results at PT Bukit Asam fits the equation model used to meet the validity requirements of a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable in the short-term and long-term because it has a value of -0.483660.

The result of ECM, it was concluded that by observing the probability value at Bukit Asam Coal Mine, it can be seen that GDP, current exchange rates and previous year's stock prices have a positive effect on stock prices of PT Tambang Batubara Bukit Asam with a value probability is 0.0729, 0.0245, 0.0002. Meanwhile, the current inflation and previous exchange rate have a negative effect on the stock price of PT Tambang Batubara Bukit Asam with a probability value of 0.0171 and 0.0479.

Whereas the probability value of the price of Islamic stock in PT Tambang Batubara Bukit Asam is 0.000034, it indicates that simultaneously the independent variables have a significant influence on the stock price of PT Tambang Batubara Bukit Asam with a significance level of 5 percent. The value of R² reaches 85.58%, which means that 85.58% of the variation in stock prices of PT Tambang Batubara Bukit Asam, Tbk can be explained by variables used in the model (exchange rate, industrial production index, GDP, and inflation), while the rest is explained by other variables analyzed in the ECM model.

ECT results of PT Lippo Karawaci fits the equation model used to meet the validity requirements of a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable in the short-term and long-term because it has a value of -0.275329.

The result of ECM is concluded by observing the probability value of PT Lippo Karawaci, it can be seen that GDP, current and previous exchange rates as well as current inflation negatively affected PT Lippo Karawaci's stock price with a probability value of 0.0082, 0.0605, 0.0381 and 0.0528 while the industrial production index has a positive effect on the stock price of PT Lippo Karawaci, Tbk, with a probability value of 0.0602.

While the probability value of the f-statistic of the stock price of PT Lippo Karawaci, Tbk, which is 0.033, shows that simultaneously the independent variable has a significant influence on the stock price of PT Lippo Karawaci with a significance level of 5 percent. The value of R² reaches 64.39%, which means that 64.39% of the variation in stock prices of PT Lippo Karawaci, Tbk can be explained by variables used in the model (exchange rate, industrial production index, GDP and inflation), while the rest are explained by other variables not analyzed in ECM model.

ECT results of PT Vale Indonesia fits a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable in the short-term and long-term because it has a value of -1.078219.

If the GDP value increases by one percent, it will result in a decrease in the price of LPKR stock by one percent. The results of this study do not match the initial hypothesis and previous studies of Prasetyanto (2016) and Husnul, Hidayat, & Sulasmiyati (2017) where GDP has a positive effect on the stock price of a company. Whereas if the exchange rate depreciates, it will result in an increase in the price of LPKR stocks by 276704 shares. This is in line with Kewal (2012) where the exchange rate has a negative effect on the IHSG.

The ECT results at PT Vale Indonesia Tbk fits equation model that is used to meet the validity requirements of a dynamic ECM model, thus it can be used to estimate the effect of independent variables on the dependent variable both in the short term and long term because it has a value of -1.078219.

ECM results was concluded by observing the probability value at PT Vale Indonesia, it can be seen that the previous stock price had a positive effect on PT Vale Indonesia's stock price with a probability value of 0.0004, while the previous exchange rate and GDP has a negative effect on the stock price of PT Vale Indonesia with a probability value of 0.0723 and 0.0094.

While the probability value of PT Vale Indonesia's stock price f-statistics is 0.000000, it shows that simultaneously the independent variables have a significant influence on the price of PT Vale Indonesia stocks with a significance level of 5 percent. R2 value reached 73.78% which means that 73.78% of the variation in the stock price of PT Vale Indonesia, Tbk has been explained by variables used in the model (exchange rates, IPI, GDP, and inflation), while the rest is explained by other variables not analyzed in ECM model.

After a model diagnostic test and statistical tests are carried out, the next step is to conduct an economic analysis of the regression coefficients of the variables in ECM, both in short-term and long-term. If the previous price rises by one percent it will cause the next stock price to increase by 844547 stocks of INCO. This is in line with the research of Ayuningtyas (2017) stating that the price of the previous period affected the increase in prices of Islamic bonds of PLN (Persero) and Bank Muamalat Indonesia.

If the GDP value rises by one percent, it will cause a decrease in the price of the stocks of UNVR and KLBF, one percent slope is negative at 14866.44 and -610.7603 sheets in the short term. The results of this study are not in accordance with the initial hypothesis and previous studies of Prasetyanto's (2016) and Husnul, et al (2017), where GDP has a positive effect on the stock price of a company, because GDP is one indicator of economic growth in Indonesia. IPI for the current period and the previous period have a positive effect on the prices of UNVR and KLBF shares. If the IPI increases by one percent, it will cause the stock price of UNVR and KLBF to increase by 1513,511 and 57.62802 in the current period as well as 1467,745 and 78.70867 in the previous period. The results of this study are in line with the results of Ayuningtyas (2017) where IPI has a positive effect on the prices of Islamic bonds of PT PLN (Persero) and PT Indosat.

GDP increases by one percent will directly increase the stock price of PTBA's company by 617,0205 sheets. This is in accordance with the initial hypothesis where GDP has a positive effect on the stock price of a company and is in line with the results of Prasetyanto (2016) where GDP affects the real sector growth, especially stocks. If inflation rises by one percent, it will reduce the price of PTBA's stocks by 85.09364 shares. This is in accordance with the hypothesis that when the country experiences inflation, the public cannot afford to buy an item or stock, this causes the stock price to experience a decline in current period inflation and the previous exchange rate negative effect on stock prices and in line with the research of Harsono, Ardelia Rezeki and Saporila Worokinasih (2018) which states that inflation has a negative effect on the composite stock price index in Indonesia. If the Exchange experiences appreciation, it will result in a decrease in PTBA's stock price by 347257 shares. The results of this study are in line with Kewal (2012) which states that the exchange rate has a negative effect on the IHSG.

Conclusion

This study uses Error Correction Model (ECM) method and analyzes 4 independent variables (Exchange Rate, IPI, GDP and Inflation) and 1 dependent variable (stock price) in 5 companies listed in Jakarta Islamic Index, namely PT Unilever Indonesia (UNVR), PT Kalbe Farma (KLBF), PT Tambang Batubara Bukit Asam (PTBA), PT Lippo Karawaci (LPKR) and PT Vale Indonesia (INCO).

The results of the research are concluded as follows: Firstly, GDP variable has a negative effect on the stock prices of PT Unilever Indonesia, PT Kalbe Farma, and PT Lippo Karawaci in the short term partially. While GDP has a positive influence on the stock price of PT Tambang Batubara Bukit Asam in the short term partially. Secondly, IPI variable has a positive effect on stock prices of PT Unilever Indonesia, PT Kalbe Farma, and PT Vale Indonesia in the short term partially. Thirdly, exchange rate variable has a negative effect on the stock price of PT Tambang Batubara Bukit Asam and PT Lippo Karawaci in the short term partially. Lastly, inflation has a negative influence on PT Tambang Batubara Bukit Asam, while the stock price of the previous period has a positive effect on the stock price of PT Vale Indonesia.

The results of this study recommend to strengthen the real sector of sharia industries in terms of IPI. In addition to that, it recommends government policies to control the macro economy condition such as inflation and GDP that encourage the resilience of the Indonesian Islamic stock market to be stronger in order to support the achievement of SDGs in Indonesia

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